

North Cumberland Fire District

Meeting Minutes

August 18, 2010

Present:

Edward LeBlanc, Chairman

John Aharonian

Robert Audette

Matthew Gannon

Paul Lindquist

John Patrick McCoy

Michael Spaziani

Absent:

Brian Campbell

Martin Klara, Tax Collector

Others Present:

Fay Dakake, Clerk

Robert J. Murray, Treasurer

David DeVecchio, Chief

Opening:

The regular meeting of the North Cumberland Fire District (NCFD) was called to order at 7:02 p.m. on Wednesday, August 18, 2010 by Chairman LeBlanc.

Chairman LeBlanc acknowledged the many new faces in attendance and thanked them all for coming.

A. Approval of the Minutes

The clerk's report dated July 21, 2010 was reviewed. Treasurer Murray made two typographical changes on page 2 relating to the expenses.

"Total expenses were \$176,064. \$170,064. vs. a budget of \$150,953"

"Expenses exceed revenue by \$120,959. \$128,959. The budget was for expenses to exceed revenue for \$111,403. for the month, negative to the budget by \$17,556."

Motion was made by Mr. Lindquist, seconded by Mr. Spaziani, to accept the Clerk's Report for July 21, 2010. All in favor. So voted.

B. Treasurer's Report

Treasurer Murray submitted his report and highlighted the following:

- **Month of July 2010 (First month of the Fiscal Year)**

Revenue Side

- o **Revenue \$27,654. vs. budget of \$28,775.**
- o **FEMA Reimbursement of \$19,789. vs. budget of \$20,000.**
- o **Taxes Collected \$6398.38 vs. budget of \$8,000. slightly below normal for this time of year.**

Expense Side

- o **Total expenses were \$259,658. vs. a budget of \$247,065. Increases in the following accounts:**
 - **Truck Repairs exceeded budget by \$6,100. Chief DeVecchio reported he is expecting reimbursement from VFIS and to be reflected in next month's report.**
 - **Payroll \$104,345. vs. budget \$100,000. (a five pay period month) slightly higher than budget due to overtime for the month which totaled \$28,000.**
- o **Bill received from the Town for Hydrant fees \$84,150. which has not**

been paid and will not be paid until the Board agrees to have it paid.

Deficit for the month of \$232,000. vs. a planned deficit of \$218,000. typical for this time of year.

- **Balance Sheet**

- o **Cash at the end of July \$156,000 reflecting collections less expenses netting \$232,000. for the month of July**

- o **Accruals are higher than normal due to \$84,150. hydrant fees, which will not be paid until told to do so**

- **NCFD 2009/2010 Payroll Overtime**

- o **Average overtime 28.31% of standard pay**

- o **July overtime 35.8% compared to 36% last year of the same month**

- **NCFD Cash Flow**

- o **Anticipating a low of \$40,000. through the end of this month**

Motion was made by Mr. Spaziani seconded by Mr. McCoy, to accept the Treasurer's Report for July, 2010. All in favor. So voted.

C. Tax Collector's Report

Tax Collector Klara was not in attendance. His report will be reviewed at the next monthly meeting. Chairman LeBlanc remarked that a typo of "2005 TAXES DUE" be changed to "2010-2009" TAXES DUE.

D. Chief's Report/Monthly Expenditures

Chief DelVecchio presented his monthly report and expenses for July, 2010. He highlighted the following:

- o Shed fire, 11 Howard Road involving two juveniles who have been referred the State Fire Marshal's Office Juvenile Firesetter Program.**
- o Approval for the IMC Federal Government Grant has been received and is moving forward. Other districts and rescue have allocated the funds necessary to implement the program.**
- o Lt. Emerson has applied for a grant to purchase two monitors/defibrillators, one for each primary vehicle for a total of \$64,000. In the interim, a used monitor/defibrillator was purchased from Cumberland Hill for \$1,000.**
- o Recommendation by the State Fire Marshal office to get a more formalized process in place to halt new inspections requested by delinquent tax payers.**
- o Test trial of the Panasonic Arbitrator 360° in-vehicle digital video system.**

Motion was made by Mr. Audette, seconded by Mr. Lindquist to accept the Chief's Report with expenses for July, 2010. All in favor. So voted.

E. Committee Reports:

Committee reassignments for FY 2010/2011 were distributed by

Chairman LeBlanc.

Financial Management, Budget, Taxes

John McCoy noted the current year accepted 92% of tax collection, which is in line with the 93% that was estimated for the budget and has been consistent with the last couple of years.

Apparatus/Buildings/Grounds

No comment

Personnel Committee

Grievance 10-05 to be discussed in Executive Session.

Labor Management/ Negotiations

With Mr. Campbell not in attendance this evening, no update was given. Chairman LeBlanc reported changes to the Labor Management/Negotiations Committee to include himself, Michael Spaziani and Brian Campbell.

F. Old Business

Grievance 10-05

To be discussed in Executive Session.

Mr. Arthur Lambi

As requested Mr. Lambi was given a copy of the sign in sheet of

those who attended the NCFD annual meeting held June 16, 2010.

G. New Business

Mr. Paul Vandal

Mr. McCoy researched Mr. Vandal's request for NCFD to adopt the Total Disability Tax Program. After review of Cumberland Ordinance 36-5, which is allowed through RIGL 44-3-15, the state statute enables the town tax assessor to freeze property tax rates for those who can prove they are totally disabled. There is no explicit authority for a fire district to do so. Mr. McCoy is not sure NCFD would have the authority, if inclined, to act on Mr. Vandal's request. He will speak with the town tax assessor. Mr. Vandal will be advised.

H. Public Comment

Resident, Mr. Arthur Lambi, addressed the Board with several comments and questioned the Board with the following:

- o Reason for the public attendance is the mistaken acceptance of the salary and benefits at NCFD**
- o Disapproval with the level of compensation and the amount of taxes being charged.**
- o Lifetime benefits for a retired chief**
- o A 30% increase in total compensation to the firefighters over the last 3 years.**
- o Cash deposit and lease payments for Engine 5 vs. financing over 10-15 years.**

- o Sale of equipment to Valley Falls Fire District**
- o 17.5% tax increase this year, last year 7% increase**
- o \$310,000. of cash spent through June 30th in the last year and a half**
- o Lack of concessions from the Union**
- o Submitted a suggested list of potential concessions and possible budgetary reductions as a tool for the Board of Trustees**
- o Suggested legal expense should have been paid out of \$250,000. cash reserve**
- o Firefighters 4% raises in last 3 years with no concessions offered to taxpayers**
- o Refinancing of Engine 5**
- o Concerted effort relative to past due collections including finance charges and legal fees.**
- o Capping insurance and health care benefits**
- o Rolling out of the state pension system and possibly into a 403B Plan**
- o Reducing stipends and special payments throughout the contract**
- o Listing of delinquent tax payers for review.**
- o Hydrant Fees**
- o Overtime costs**
- o 5% state cap relative to property tax increases**
- o Consolidation**
- o Fixed fee vs. fire tax**

Steve Jackson

Mr. Jackson questioned the prospect of hiring an additional fire

fighter to limit overtime costs. He also suggested, that in light of an upcoming vote on consolidation, no money be spent on anything that may be affected by consolidation.

Explanation of fire tax and discussion of tax on assessed value vs. a flat fee followed.

Response of Chairman LeBlanc

Although not prepared to respond to all assertions, Mr. LeBlanc responded to the various comments and questions as follows:

o Richest union contract in the town? NCFD aims to be somewhere in the middle. He would like to see the statistics. Union President Bernardo agreed

o Established many years ago, lifetime insurance to a retired fire chief and the legal obligations of the district are being examined.

o The Union was asked to make concessions on overtime and declined. As Chairman, a decision was made not to pursue pay raise concessions for this final contract year due to possible legal fees.

o A truck committee lead by Mr. Aharonian developed bid specifications for the purchase of Engine 5 and a contract was put out to bid. Conversations regarding the purchase were held at annual meetings over several years.

o Agreeing that \$10. 00 a week insurance co-pay by firefighters is a token payment, it was negotiated into the last contract in the interest of opening the door to co-payments. It will be an item for negotiation for the upcoming contract.

- o NCFD does do not have a \$250,000 cash reserve today.**
- o In regard to refinancing Engine 5, Mr. Lambi was asked to put something in writing as to what he would consider.**
- o The by-laws only require the tax assessor to prepare a list of past due collections for the annual meeting not for each meeting and it does not require the tax collector to make it public. When a tax sale of homes is held, those properties do get published in the newspaper. The mere threat of a tax sale generates tax revenue. Tax sales could be done annually but with the legal maneuvers, it takes time. Being into several cycles of a tax sale at the same time, could be confusing.**
- o Hydrant Fees have always been an item of concern. They appear to be strictly revenue generators.**
- o NCFD has incurred some overtime costs with one member who has been injured on duty for a while. Legal steps are being taken to resolve the situation.**
- o The 5% cap on tax increases has a lot of caveats that allow increases to exceed that cap. Loss of the vehicle tax may have been one of them.**
- o After spending a lot of time on consolidation, in his opinion, it is not going to happen anytime soon. It would require the town to establish a municipal fire department and it would require the districts to dissolve. The fire districts or the town would go to the state legislator to get a state statute passed that would dissolve the districts. The town has no authority to order the districts to be dissolved or consolidated.**
- o Through contract negotiations and the resolve of a legal issue we**

can reduce overtime.

o Fire taxes have always been in place and assessed on property value we receive from the town.

o The 4% tax pay increase was agreed to in a three year contract that was signed two years ago.

Chief DelVecchio

With thirty-four years of experience in the fire service, Chief DelVecchio stated that the most cost effective and best service is typically through a fire district. Chief DelVecchio explained that with municipal service, property taxes would increase and would be rolled into the municipal budget where costs are not as controllable.

David Caruso

David Caruso looked at working with builders to pay back taxes as financing a builder. Chairman LeBlanc disagreed. Builders are pursued in the same manner as anyone who owes back taxes. Interest and penalties are charged and properties are sold at tax sales.

As a banker, Mr. Caruso disagreed with Chairman LeBlanc's comment that consolidation would not save money. Chairman LeBlanc clarified his remark that unless previously discussed consolidation paradigms are changed you may not find the savings you are looking for.

Tim Draper

Mr. Draper supported Mr. Lambi and agrees to support the Board during contract negotiations. In addition, he asked his friends and fellow firefighters to be generous, understanding the position we are all in as tax payers. He finds 17% unacceptable.

Mike Breen

Mr. Breen thanked Mr. Lambi for all the work he's done and urged the Board of Trustees to seriously consider everything that Mr. Lambi has put forward including making concessions for the next contract.

Treasurer Murray

Treasurer Murray explained the state pension plan, which is mandated by the state, has increased dramatically over the last two to three years from 12 – 22%.

Items for Follow Up

Mr. Lambi to submit contract statistics to Chairman LeBlanc as well as a proposal to refinance the Engine 5.

Chairman LeBlanc to examine life time benefits to a retired fire chief and to continue to investigate hydrant fees, overtime costs, 5% cap and items for negotiations.

Executive Session per R.I.G.L. 42-46-4 and 42-46-5 (a)(2)(9)

Motion was made by Mr. Gannon, seconded by Mr. Audette and unanimously carried to enter into Executive Session in accordance with R.I.G.L.42-46-4 and 42-46-5 (a)(2)(9) at 8:44 p.m.

Return to Public Meeting

Believing, as a Board, Kevin Clarke was paid out according to the contract, that amount being \$14, 263.07, and that according to the contract; he is not eligible for the additional \$6,123.

Motion was made by Mr. Lindquist, seconded by Mr. Spaziani to deny Grievance 10-05. Mr. Spaziani, McCoy, Mr. Audette, Mr. Gannon, Mr. Aharonian, Mr. Lindquist and the Chair voted yes to deny Grievance 10-05. All in favor. So moved.

Adjournment

Motion was made by Mr. Lindquist, seconded by Mr. McCoy and unanimously carried to adjourn the public meeting at 9:27 p.m.

Minutes submitted by: Fay Dakake, Clerk

Approved by: Edward LeBlanc, Chairman
